

SENATE RECORD VOTE ANALYSIS

106th Congress
1st Session

Vote No. 232

July 30, 1999, 9:01 a.m.
Page S-9889 Temp. Record

TAXPAYER REFUND ACT/Higher Taxes, New Education Spending

SUBJECT: Tax Refund Act of 1999 . . . S. 1429. Bingaman motion to waive the Budget Act for the consideration of the Bingaman amendment No. 1462.

ACTION: MOTION REJECTED, 48-52

SYNOPSIS: As reported, S. 1429, the Taxpayer Refund Act of 1999, will give back to the American people \$792 billion of the \$3.3 trillion in surplus taxes that the Congressional Budget Office (CBO) has projected that the Federal Government will collect over the next 10 years. The projection is based on assumptions of 2.4-percent average annual growth in the economy, no growth in discretionary spending after 2002, and entitlement spending growth as required under current law. Approximately \$1.9 trillion of the surpluses will be Social Security surpluses (Republicans have been attempting to defeat a Democratic filibuster of a proposal to protect those surpluses from being spent; see vote Nos. 90, 96, 166, 170, 193, and 211). After protecting the Social Security surpluses and providing tax relief of \$792 billion, \$505 billion will remain for additional spending or debt reduction. The average growth rate over the past 50 years has been 3.4 percent. The current growth rate is around 4 percent. If the 3.4-percent average rate is maintained for the next 10 years, then (using the CBO rule-of-thumb chart from Appendix C of the January 1999 Economic and Budget Outlook) the surplus will be roughly \$4.9 trillion, not \$3.3 trillion. Key tax relief provisions include that the bottom tax rate will be lowered to 14 percent and expanded (providing \$297.5 billion in tax relief over 10 years) and the tax burden on families will be cut (providing \$221.7 billion in tax relief). Tax relief will also be given to encourage saving for retirement, to make education and health care more affordable, to lower death taxes, and to lower taxes on small businesses.

The Bingaman amendment would express the sense of the Senate that \$132 billion "should be shifted from tax breaks that disproportionately benefit upper income taxpayers to sustain our investment in public education," including by "investing" in disabilities education, the Pell Grant Program, the Head Start Program, and the initiative to reduce class size by giving Federal funding to public schools to hire more teachers.

Senator Domenici raised a point of order that the Bingaman amendment violated section 313(b)(1)(A) of the Budget Act. Senator

(See other side)

YEAS (48)			NAYS (52)		NOT VOTING (0)	
Republicans (3 or 5%)	Democrats (45 or 100%)		Republicans (52 or 95%)	Democrats (0 or 0%)	Republicans (0)	Democrats (0)
Collins	Akaka	Kennedy	Abraham	Helms	EXPLANATION OF ABSENCE: 1—Official Business 2—Necessarily Absent 3—Illness 4—Other SYMBOLS: AY—Announced Yea AN—Announced Nay PY—Paired Yea PN—Paired Nay	
Snowe	Baucus	Kerrey	Allard	Hutchinson		
Specter	Bayh	Kerry	Ashcroft	Hutchison		
	Biden	Kohl	Bennett	Inhofe		
	Bingaman	Landrieu	Bond	Jeffords		
	Boxer	Lautenberg	Brownback	Kyl		
	Breaux	Leahy	Bunning	Lott		
	Bryan	Levin	Burns	Lugar		
	Byrd	Lieberman	Campbell	Mack		
	Cleland	Lincoln	Chafee	McCain		
	Conrad	Mikulski	Cochran	McConnell		
	Daschle	Moynihan	Coverdell	Murkowski		
	Dodd	Murray	Craig	Nickles		
	Dorgan	Reed	Crapo	Roberts		
	Durbin	Reid	DeWine	Roth		
	Edwards	Robb	Domenici	Santorum		
	Feingold	Rockefeller	Enzi	Sessions		
	Feinstein	Sarbanes	Fitzgerald	Shelby		
	Graham	Schumer	Frist	Smith, Bob (I)		
	Harkin	Torricelli	Gorton	Smith, Gordon		
	Hollings	Wellstone	Gramm	Stevens		
	Inouye	Wyden	Grams	Thomas		
	Johnson		Grassley	Thompson		
			Gregg	Thurmond		
			Hagel	Voinovich		
			Hatch	Warner		

Bingaman then moved to waive the Budget Act for the consideration of the amendment. Generally, those favoring the motion to waive favored the amendment; those opposing the motion to waive opposed the amendment.

NOTE: A three-fifths majority vote is required to waive the Budget Act. After the failure of the motion to waive, the point of order was upheld and the amendment thus fell.

Those favoring the motion to waive contended:

The numbers in this bill just do not add up. Our colleagues say that there will be an extra \$505 billion to spend or to use for debt reduction after the tax cuts for rich people in this bill are enacted. However, that number only makes sense if Congress first cuts discretionary spending below a hard freeze in the next 2 years, as required under the Budget Agreement caps, and then does not provide one cent in new total spending for the next 8 years. Further, if this bill is enacted, we are certain the Defense Department's budget will be protected by our Republican colleagues. Therefore, other spending will have to be cut even more. In total, non-defense discretionary spending will have to be cut by a whopping 38 percent. That funding includes money for education, breast cancer research, and veterans. We do not believe that we should make such huge cuts. The highest priority, for us, is to protect education spending. Therefore, we have offered this amendment in favor of denying \$132 billion in tax relief for rich Americans so the money can be used instead to increase education spending instead of slashing it. The choice is clear--do our colleagues want to help rich people or children? We urge the adoption of this amendment.

Those opposing the motion to waive contended:

Democrats have been saying all week that they are quite upset that we want to refund to the American people part of the surpluses that are going to be collected from them over the next 10 years. The constant excuse they have been giving, which we have found to be monumentally suspect given their liberal history, is that they are afraid that the surplus might not materialize, and that therefore they think it would be safest for the economy if surpluses were just used to reduce the national debt. They have complained constantly that giving tax breaks instead of reducing the debt would result in higher interest costs. We have responded that if the Government kept the money then Democrats could not resist trying to spend it. Leaving the surplus tax collections with Democrats in Congress would be like leaving a drunk alone with a bottle of whiskey. How long would Democrats' restraint last? The Bingaman amendment answers that question. Democrats cannot even last to the end of this debate. In this case, they have suggested that we deny a refund of \$132 billion of the excess taxes in order to increase spending on education. That amount is a very interesting amount to pick--the budget for this year that was passed by Republicans has planned on increasing Federal spending on various Federal education initiatives by precisely that amount. Under the Republican budget, education spending will climb from \$47 billion this year to \$60 billion by 2009, with a total increase of \$132 billion. The big difference is that it will provide that increase within the budget. Instead of prioritizing, Democrats just want to increase total taxes and spending.

Depending on the hyperbole or fanciful imagination of the particular speaker, Democrats have claimed that the tax relief in this bill will require discretionary spending cuts ranging from a "low" of 23 percent to a high of more than 50 percent. In the debate on this amendment, they have said that discretionary spending will have to be "cut" 38 percent. They got that percentage by suggesting that defense spending will grow at the rate of inflation or more, which will not leave room for every single other item in the Federal budget also to grow at the rate of inflation. They then said because every other item in the budget will not grow at least at the rate of inflation, they will be "cut." In this decade, discretionary spending has been growing at a 4.2 percent rate. Democrats say unless it keeps that up forever, for everything, then we are cutting discretionary spending. The worst, most disreputable rhetoric has come from the President. For instance, the Daily Report for Executives of July 29 stated, "Clinton told representatives of Boys and Girls Nation at the White House that the Republican tax plan would eliminate funds to help 480,000 children learn to read." Oh, he has found us out. We Republicans fought hard to come to Washington just so we could try to stop kids from learning how to read. At another time, the President suggested this bill was just a plot to make more women die of breast cancer. The President's rhetoric is not merely shrill and insulting, it is blatantly and demonstrably false. The Republican-passed budget resolution, which has more than enough room in it to provide this tax relief, did not (and should not) increase every program at the rate of inflation, but it did (properly) provide increases for high priorities such as education and health research.

Of course, Republicans have different educational priorities than do Democrats. Republicans favor assistance to State and local governments to pursue their own particular educational needs, and they favor direct assistance to parents and college students so they, instead of the Federal Government, can make their own choices. Democrats, on the other hand, have infinite faith in the wisdom and benevolence of Federal bureaucrats in the Department of Education, and they consequently favor setting up new Federal programs that, in micromanaging detail, decide what, when, and who will be taught, as well as how they will be taught. They do not want to pay for any of those new programs by cutting other Federal spending; no, every time they have a new idea they just want to increase taxes and increase spending. By offering this amendment, Democrats are showing their true tax-and-spend colors. We urge the rejection of this amendment.